

Successful marketing strategy with colgate palmolive



Marketing strategy:- To develop a marketing strategy is a vital for any business because it is a procedure in which an organization concentrate its limited resource on there opportunities to increase sales and get there best from it as an advantage . For that one needs to create a flexible strategy that can respond to changes in customers demand. Marketing strategy should be centered around there key concept that customer satisfaction is the main goal.

Introduction

Colgate was found in the United States 200 years ago. For there half there years its business was focused only the. It is marketing its products in more than 200 countries and territories under some internationally recognized brand names as Colgate, Ajax, Palmolive, Softsoap, Some Hill's Science diet products. Colgate Palmolive is leading product consumer product company focused on Oral care, Household care, Personal care and many more. Today Colgate-Palmolive is \$9 billion Company.

Overview:-

1806

Colgate was originated with a small business of starch, Soap and candles form Dutch street, New York by William Colgate.

1817

The first Colgate advertisement was appeared in US newspaper.

1820

<https://assignbuster.com/successful-marketing-strategy-with-colgate-palmolive/>

Colgate establishes a starch factory in New Jersey.

1866-1873

Colgate introduced perfumed soap and toothpaste in jars.

1893

Colgate introduced toothpaste in collapsible tube.

1914

Colgate established its first international subsidiary in Canada

1920

Colgate establishes in Europe, Asia, Latin America, Africa.

1928

Colgate merge with Palmolive -Peet and became Colgate- Palmolive- Peet Company.

1953

Colgate -Palmolive company becomes an official name for there company.

1989

Annual company sale surpassed there \$ 5 million mark.

2006

Colgate purchased Tom's of Maine and entered fast growing naturals segment.

Today

Colgate with sales Surpasses \$ 15 million, focuses on all Oral Care, Personal Care, Home Care, Pet Nutrition.

Situational Analysis (SWOT)

Situation Analysis

Internal Analysis

External Analysis

Strengths

Weaknesses

Threats

Opportunities

SWOT Analysis is a simple framework for generating strategic alternatives from a situational analysis. The Swot analysis classifies the internal aspects of there company as strengths or weaknesses and the external situational factors as opportunities and threats. Strength can serve as a foundation for building a competitive advantage and weaknesses may hinder it.

SWOT Analysis of Colgate -Palmolive:-

Strengths:-

Strong brand image

<https://assignbuster.com/successful-marketing-strategy-with-colgate-palmolive/>

Free Cash flow-to-sales of 15% attracting investors

Market share of 45% in US, dominance in LA, and strong growth in Europe and Asia providing diverse rev streams.

Weaknesses:-

Product recalls

Highly leveraged

Low on Innovation- a follower

Opportunities

Growing global oral hygiene market

Hispanic population in the US

Tapping Personal Care in Asian markets like India

Threats

Private label growth

Increasing commodity prices

Increasing number of Competitors

Differential advantage / Competitive edge (USP)

Strategy USP (Unique Selling Proposition) developed by Rosser Reeves, the advertising heart of New York, Madison Avenue.

Colgate-Palmolive pursued a multipronged marketing strategy to support the introduction of Irish Spring's reformulated bar and liquid soap. In order to introduce a wide audience to its new image and latest product offerings, Colgate-Palmolive aired television commercials for both products and ran print ads in a variety of magazines. Furthermore, the company especially concentrated on free-standing inserts and product sampling to convince consumers to try the updated Irish Spring. Coupons were an essential aspect of the relaunch of Irish Spring bar soap. In order to make these coupon ads eye-catching, the company included a four-leaf clover shape that could be scratched off-like a lottery ticket-to reveal a savings amount applicable to the product.

Appelbaum, Cara, " Colgate Tests Its First Deodorant, Irish Spring," Brandweek, April 1, 1991.

Segmentation Targeting and Positioning (STP)

1) Market Segmentation: – The process of dividing a market into a distinct subsets of consumers with common needs and selecting one or more segments to target with a distinct marketing strategy

Levels of market segmentation:

1. Mass Marketing: providing the same product to all consumers. Example: Salt.
2. Segment marketing: providing different products to many segments.
3. Niche Marketing: providing different products but to sub segments.

4. Micro-Marketing: providing product which are preferable to individual choices.

2) Market Targeting:-

It is a group of customers that there business has decided to aim its marketing efforts and ultimately its merchandise.

Geographic

Demographic

Psychographic

Behavioural

3) Market Positioning:-

It means the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization.

The Colgate people have tried to sustain themselves through tough competition and hard work. Media and advertisement are also responsible for creating an image of there company in there eyes of its customers and competitors.

Marketing Objectives and Goals:-

SMART Objectives:-

The purposes of SMART objectives include:

To enable a company to control its marketing plan.

To help to motivate individuals and teams to reach a common goal.

To provide an agreed, consistent focus for all functions of an organization.

A simple acronym used to set objectives is called SMART objectives. SMART stands for:

SMART Goals:-

A strategic plan consists of written long- and short-term goals to accomplish the objectives of the farm business. These goals are usually backed by detailed production, financial, and marketing plans.

Figure 1. Elements of a strategic plan Short-term goals

Figure 2. SMART attributes of effective goals and how they work

4 P's of Marketing

4-P of Marketing (Borden, 1953) is the fundamental base in the Marketing studies. It can be compared to the Einstein's theory of relativity in Quantum Mechanics. 4 P of marketing is often called as Marketing Mix, because it has the right marketing recipe to successfully launch a product. 4 P of marketing stands for:

Product: Product is any tangible object or any service (intangible) that is manufactured or created to satisfy the consumer needs. It has to have the product variation and the differentiation for different markets. Also the products must be reviewed time to time for its obsolescence and must be discarded with the view of market needs known as product elimination.

Similarly, with growing market needs and evolving consumer tastes, companies must innovate their products (Kotler & Armstrong, 2010).

<https://assignbuster.com/successful-marketing-strategy-with-colgen-palmolive/>

Price: Price is the amount of money that is paid by the customer to seller which varies on different distribution channel (Kotler & Armstrong, 2010). Several factors have impact while determining the price of the product or service, which are an organization's market share, the number and strategy of the competitors, the raw material costs and most importantly the perception of the product value in the eyes of the customer.

There are various pricing methods used by Organization's currently

Cost recovery Pricing: Cost recovery pricing Is the pricing method followed by marketers such that they recover the cost of the product and put a small profit margin on it to finalize the pricing of the product. For example some firm incurred the cost of \$100 per product they would like to have a profit of \$20, then the pricing will be \$120.

Penetration Pricing:- Penetration Pricing is the pricing method, in which the price is decreased abruptly so to penetrate the market and achieve greater market share. Company with deep pockets when entering a new market often practices this pricing, at times the price may be lower than the cost of the product. The profitability can be achieved later due to monopolistic situation or by cross selling their other products (Kotler, 2003).

Price skimming: Price skimming is the pricing policy adopted by the organization so that they first launch the new product at very high price so that early adopters can buy the product and then they subsequently decrease the price to get late bloomers buying the product. This pricing is practiced mostly by technology firms and is observed with the launch of new products.

<https://assignbuster.com/successful-marketing-strategy-with-colgate-palmolive/>

Place: – Place represents the location where a consumer can buy the product. It can be a physical store where the consumer can visit or can be a virtual store like a website on internet . It is often referred as distribution channel as it actually is the channel through which the product is received by the consumer (Kotler & Armstrong, 2010). A place can be utilized for direct as well as indirect selling. And the place can often take the shape of e-commerce altogether.

Promotion: Promotion is a communication means adopted by the marketer to communicate about the product, brand or organization to the consumers. Promotion has following four distinct elements. Advertising, personal Selling, Public relations and Sales Promotion, which can be used as such or can be used in combination to promote the product (Pride & Ferrell, 1983).

Conclusion:

In Conclusion, Colgate Company is a typical market oriented company, operating in more than 200 countries. They are providing many new employee oriented programs both for senior level and entry level people. They are aware of their social and ethical responsibilities. They are managing there consumer and business market in an effective manner. They face their competitors and feel proud to take it as a challenge. They feel pride in making their customers happy. They know how to conduct their business in international communities. They maintain levels of there CRM at there company to ensure good customer support. The way they have proved themselves in consumer, business and international markets, they still have a high aim to attain more and more.

Bibliography (with references):-

Armstrong G, Kotler P (2010), Marketing: An Introduction. 10th end New Jersey.

Appelbaum, Cara, “ Colgate Tests Its First Deodorant, Irish Spring,” Brandweek, April 1, 1991.

Houghton Mifflin

, John Wiley.

(Kotler, 2003), Kotler P (2003)

Kotler & Armstrong, 2010

Prentice Hall

Pride W M, Ferrell O. C (1983) Marketing: Basic Concepts and Decisions. Texas.

Schultz D E, Tannenbaum S, Lauterborn R (1992) Integrated Marketing Communications. Illinois. NTC Publishing

url=

url= <http://www.learnmarketing.net/>

url= <http://www.scribd.com/doc/32849771/Marketing-strategies-of-Colgate>

url= [http://www.scribd.com/doc/30225401/Colgate-Palmolive-Marketing-](http://www.scribd.com/doc/30225401/Colgate-Palmolive-Marketing-Project#fullscreen: on)

Project#fullscreen: on

<https://assignbuster.com/successful-marketing-strategy-with-colgate-palmolive/>

url= <http://www.solidpapers.com/collegepapers/Marketing/10625.htm>

url= [http://www.wikiswot.com/SWOT/3_Consumer_Packaged_Goods_\(CPGs\)/Colgate-Palmolive.html](http://www.wikiswot.com/SWOT/3_Consumer_Packaged_Goods_(CPGs)/Colgate-Palmolive.html)

com/SWOT/3_Consumer_Packaged_Goods_(CPGs)/Colgate-Palmolive.html

•